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INFORMATION REPORT

COUNTRY China

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SUBJECT Industrial and Labor Conditions in Manchuria

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SUPPLEMENT TO
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1. According to an official Communist government report issued in 1950 the annual output¹ of government-controlled industries in Manchuria is as follows:

Pig iron	720,000 tons
Steel ingots	540,000 tons
Steel products (unspecified)	340,000 tons
Electrolytic copper	4,000 tons
Electrolytic lead	4,000 tons
Coal	17,000,000 tons
Electric power	2,000,000 kilowatt capacity ²
DYNAMOS	6,800 units with total capacity 100,000 h.p.
Cement	430,000 tons
Machine tools	3,300 units
Paper	50,000 tons
Cloth	5,700,000 pieces
Cotton yarn	230,000 pieces

2. Industrial production during 1950 amounted to 43 percent of the total value of economic production in Manchuria. Seventy-nine percent of the value of industrial production consisted of capital goods.

3. During 1949, 11,000,000 tons³ of coal were produced. The rate of extraction was increased from 30 percent in 1949 to an average of 85 percent in 1950.

4. The production of ball and roller bearings during 1950 was six times larger than production in 1949. Machine tools, compressors, vehicles, and iron furnaces were being produced in "great quantity" during 1950 and total production of the machinery industry from January to June 1950 surpassed that of 1949 by 38 percent. In 1950 there were twelve plants working in the machinery industry.

5. The number of workers employed by government-controlled industries increased from 160,000 in January 1949 to 400,000 in June 1950. As of June 1950 there were 14,000 technicians in these industries.

6. In 1949 there were 70 types of electrical products produced, while in 1950 there were over 300 types. The report stated 600 types are to be produced in 1951.

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7. In 1950 the production of gasoline, benzine, lubricating oil, heavy oil, hardened oil⁴, stearic acid, insulating paint, glycerine, putty, caustic soda, nitric acid, sulphuric acid, and bleaching powder surpassed the peak production under the Japanese occupation of Manchuria.³
8. In 1950 the steel smelting capacity was only 25 percent of the capacity under the Japanese occupation of Manchuria, but production was 40.2 percent of the highest production reached under the Japanese occupation.⁵
9. Most of the nationalized industries in Manchuria are controlled by the Ministry of Industry of the Northeast People's Government, which exercises its functions through ten ad hoc bureaus and five other organizations. The bureaus are for the following industries: coal mining, spinning and weaving, light industries, electric power, manufacture of machinery, chemicals, munitions, electrical equipment, building materials, and metals. The five organizations are: Fushun Mining Bureau, Anshan Iron and Steel Corporation, Peichiku Coal and Iron Company, Dairen Chien Hsin Company, and Northeast Scientific Research Institute. The total number of enterprises under their control are approximately 380 factories, mines, power stations, and shipyards and approximately 380 industrial concerns.
10. Provincial and private industries are said to have flourished⁶ since the Communist take-over. In Sanchiang Province, there are 321 workshops and factories operated by the local government. In Mukden, private interests own 420 weaving mills, 250 rubber manufacturing plants, 291 chemical works, 1,000 machinery factories, and 40 paper mills. Private industries depend upon government purchases to keep them going. For instance, 90 percent of the products of the iron works in Mukden are processed goods for the account of the Anshan Iron and Steel Corporation.
11. In 1950 the capital investment in private industries in Manchuria was approximately 12.5 percent of that in government-controlled industries. The total production capacity of private industries was not reported. The most important private enterprise was the Harbin Development Corporation, which controlled about a dozen affiliated concerns in the following fields: agriculture, forestry, machine tools, porcelain ware, pencils, dyestuffs, and pharmaceuticals. While this corporation is considered to be a private enterprise, some of its stock is held by the government.
12. The industrial history of Manchuria under Communist control is divided into three periods:
 - a. November 1948 to July 1949, when attention was mainly directed to taking over, liquidation, and reconstruction of factories.
 - b. July 1949 to February 1950, which was devoted to launching an "anti-squandering" movement to improve administration of factories and quality of products.
 - c. February to June 1950, when the main target was to consolidate gains by tightening administrative controls. During this period a system of "responsible production" was enacted by the Ministry of Industry, which placed each item of tools and equipment under the charge of a particular individual. Another feature of this period was the introduction of a new wage scale with fewer wage grades; this had the effect of widening the differences in wages paid to skilled and unskilled laborers, increasing the wages of the former and greatly decreasing the wages of the latter.⁷

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13. According to official reports, the average monthly wage of laborers amounted to 110 points (commodity saving units)⁸ in May and 140 points in December 1949. Under the new scale introduced in mid-1950 the average wage was 132 points in light industries and 158 points in heavy industries. Technical workers received an average of 235 points. Workers were reported to receive labor insurance, medical care, and educational services for which the government pays an additional 18 to 26 percent of the total payroll.⁹

14. Locally-manufactured products in Manchuria were not liked by the public, and the question of wasteful production was foremost in Communist discussions. Communist counter-measures were to standardize products, strictly enforce regulations governing the work of the technical staff, install a system of personal responsibility with regard to the quality of products, closely supervise repair facilities, and give special rewards for technical improvements and higher quality of products.

15. The shortage of technical personnel has been a serious problem to the Communists in Manchuria. In 1951 they plan to open three technical colleges in Manchuria to accommodate 2,760 students per term, and 14 vocational schools to accommodate 7,000 students. Plans are also under way to establish schools to train factory workers.

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1. [REDACTED] Comment: The period of production is not stated, but it is believed that this is an estimate of 1950 production based on 1950 production rates rather than 1949 production figures.

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2. [REDACTED] Comment: According to information available to this office, the kilowatt capacity of Manchurian hydroelectric plants in 1944 was 2,190,000 kilowatts.

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3. [REDACTED] Comment: According to a radio announcement from Vladivostok in January 1950, Manchurian state mines produced 7,300,000 tons of coal during 1949.

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4. [REDACTED] Comment: As translated. Possibly this is petroleum coke.

5. [REDACTED] Comment: Numerous radio broadcasts compare current production in Manchuria with production under the Japanese occupation, stressing progress being made under the Communist regime in terms of percentages rather than volume of production.

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6. [REDACTED] Comments: In 1949 Chinese Communist radio broadcasts emphasized the aid being given to private enterprises by the government, e.g. in obtaining raw materials. In 1950 criticisms of private enterprises are sometimes pointed out, e.g. one refers to breaches of contracts by private contractors in Mukden between May 1949 and March 1950.

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7. [REDACTED] Comment: The revision of the wage system was being publicized in 1950.

8. [REDACTED] Comment: One point equals U.S.\$0.15 in Shanghai, but is much lower in the Northeast. Thus, even if the figures are dependable, the average salary is not high.

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9. [REDACTED] Comment: Communist recruiting and training of technical workers for Manchuria has been widely publicized by the radio and press.

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